



EU disburses €600 million in Macro-Financial Assistance to Ukraine to address the economic fallout of the COVID-19 pandemic

Brussels, 25 October 2021

The European Commission, on behalf of the EU, has today disbursed €600 million in macro-financial assistance (MFA) to Ukraine. This is the second and final tranche under Ukraine's current MFA programme following the first €600 million disbursement in December 2020. With this disbursement, the outstanding amount of loans to Ukraine under its multiple MFA programmes reaches €4.4 billion.

This disbursement is part of the [€3 billion emergency MFA package for ten enlargement and neighbourhood partners](#), which aims to help them limit the economic fallout of the COVID-19 pandemic. The programme is a concrete demonstration of the EU's solidarity with its partners to help respond to the economic impact of the COVID-19 pandemic.

Valdis **Dombrovskis**, Executive Vice-President for an Economy that Works for the People, said: "We are supporting Ukraine with an EU Macro-Financial Assistance (MFA) programme of €1.2 billion. Its second tranche of €600 million disbursed today is a clear sign of EU support for Ukraine's reform agenda. Ukraine has made significant efforts towards implementing the MFA conditions and also made satisfactory progress with the International Monetary Fund. By providing financial and technical support, the EU is helping to improve living standards for the Ukrainian people; by providing strong political support, we are strengthening Ukraine's integration with the European Union."

Paolo **Gentiloni**, Commissioner for the Economy, said: "Today's disbursement of €600 million brings to €4.4 billion the total amount that the EU has loaned to Ukraine in macro financial assistance. These payments are not only tangible proof of our solidarity with the Ukrainian people, but also a reflection of Ukraine having continued to meet the crucial reform commitments agreed with the IMF and the Commission."

The disbursement is based on the Commission's positive assessment of the Ukrainian authorities' progress with implementing agreed policy measures under the COVID-19 MFA programme. Ukraine has implemented all eight policy commitments relating to public finance management, governance and rule of law, improving the business climate, and sectoral reforms and state-owned enterprises.

Ukraine has also made progress implementing agreed policies under its associated programme with the International Monetary Fund (IMF). This concerns, in particular the major legislative advances in the judicial area. The IMF successfully concluded its programme review mission on 18 October 2021.

With today's disbursement, the EU has completed seven out of the 10 MFA programmes in the €3 billion COVID-19 MFA package, and disbursed the first tranches to all partners.

The Commission continues to work closely with the rest of its MFA partners on the timely implementation of the agreed policy programmes.

Background

MFA is part of the EU's wider engagement with neighbouring and enlargement partners and is intended as an exceptional crisis response instrument. It is available to enlargement and EU neighbourhood partners experiencing severe balance-of-payments problems. It demonstrates the EU's solidarity with these partners and the support of effective policies at a time of unprecedented crisis.

The decision to provide MFA to ten enlargement and neighbourhood partners in the context of the COVID-19 pandemic was proposed by the Commission on 22 April 2020 and adopted by the European Parliament and the Council on 25 May 2020.

In addition to MFA, the EU supports the partners in its Neighbourhood policy and the Western Balkans through bilateral and regional assistance, thematic programmes, humanitarian aid, blending facilities and guarantees from the European Fund for Sustainable Development (EFSD and EFSD+) to support investment in the sectors most affected by the coronavirus pandemic.

EU-Ukraine relations

Ukraine is a priority partner for the EU. The EU supports Ukraine in ensuring a stable, prosperous and democratic future for its citizens and is unwavering in its support for Ukraine's independence, territorial integrity and sovereignty within its internationally recognised borders. The Association Agreement, including its Deep and Comprehensive Free Trade Area (DCFTA), is the main tool for bringing Ukraine and the EU closer together, promoting deeper political ties, stronger economic links and respect for common values.

Since 2014, Ukraine has embarked on an ambitious reform programme to accelerate economic growth and improve the livelihoods of its citizens. Priority reforms include the fight against corruption, reform of the judiciary, constitutional and electoral reforms, improvement of the business climate, energy efficiency, land reform, as well as reform of public administration, digital transformation and decentralisation. Since 2014, the EU and the Financial Institutions have mobilised more than €17 billion in grants and loans to support reforms, while applying conditionality dependent on their progress. Visa-free travel for Ukrainian citizens with biometric passports entered into force in June 2017. Since August 2021, digital COVID-19 certificates are mutually recognised between the EU and Ukraine.

The COVID-19 MFA programme for Ukraine is part of a comprehensive effort by the EU to help mitigate the economic and social impact of the pandemic and accelerate the recovery. This engagement is in accordance with the EU-Ukraine Association Agreement, and with the overall Team Europe's support, which builds on joint efforts of EU Member States. Among others, Ukraine was one of the first countries to benefit from the COVAX facility and the EU vaccine-sharing mechanism, which together have contributed over 7.6 million doses of vaccines to Ukraine.

For More Information

[Macro-Financial Assistance](#)

[Macro-Financial Assistance to Ukraine](#)

[COVID-19: Commission proposes €3 billion macro-financial assistance package to support ten neighbouring countries](#)

[Decision of the European Parliament and of the Council on providing macro-financial assistance to enlargement and neighbourhood partners in the context of the COVID-19 pandemic](#)

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